

BOARD OF SUPERVISORS

Hilda L. Solis Mark Ridley-Thomas Sheila Kuehl Janice Hahn Kathryn Barger

COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS



Joseph M. Nicchitta Director

> Joel Ayala Chief Deputy

Rafael Carbajal Chief Deputy

"To Enrich Lives Through Effective and Caring Service"

Hearing Officer/Department of Consumer & Business Affairs

Hearing Date 02/13/2020 Agenda Item No. 5

Transmittal Checklist

Datitionar Name.

reum	oner name.	Eliazai valerile
Case	Number:	RSQ19-14821
Case((s):	IRSO Petition for Noncompliance
DCB	A Staff:	Shannon Louis
	Petition Summ	nary
\boxtimes	Parcel Profile	Report (separate attachment)
\boxtimes	Staff Report	
\boxtimes	Burden of Pro	of Statement(s)
	Rent Receipt(s) (separate attachment)
	Reduction in S	Services Receipts
-		

Reviewed By:	Dana Pratt	



BOARD OF SUPERVISORS

Hilda L. Solis Mark Ridley-Thomas Sheila Kuehl Janice Hahn Kathryn Barger

COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS



Joseph M. Nicchitta Director

> Joel Ayala Chief Deputy

Rafael Carbajal Chief Deputy

"To Enrich Lives Through Effective and Caring Service"

Case Number RSQ19-14821

Hearing Date 2/13/2020

PETITION SUMMARY

PETITIONER NAME

Eliazar Valente

PETITION DATE

December 13, 2019

PETITION OVERVIEW

Petitioner has filed a Petition for Noncompliance, requesting a reduction in rent in accordance with the Interim Rent Stabilization Ordinance, Ordinance Number 2018-0045. The Petitioners' rent increase became effective on October 1, 2019.

PROPERTY ADDRESS

1305 E. 71st Street Los Angeles, California 90001

KEY ISSUES

- Rent was increased from \$1,000.00 to \$1,050.00, effective October 1, 2019
- Total increase is in the amount of 5%
- Per the effective date of the rent increase, the October 2019 through February 2020 rent payments (5 months) will be due by the hearing date.

STAFF RECOMMENDATION

Approval - If Recommendation #1 is determined to be valid by the Hearing Officer

Denial - If Recommendation #2 is determined to be valid by the Hearing Officer

DCBA STAFF: Shannon Louis 213-974-4118 SLouis@dcba.lacounty.gov



BOARD OF SUPERVISORS

Hilda L. Solis Mark Ridley-Thomas Sheila Kuehl Janice Hahn Kathryn Barger

COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

Joseph M. Nicchitta Director

> Joel Ayala Chief Deputy

Rafael Carbajal Chief Deputy

"To Enrich Lives Through Effective and Caring Service"

February 7, 2020

TO: Gina Natoli, AICP

Hearing Officer

FROM: Shannon Louis

Case No. RSQ19-14821
Eliazar Valente vs. Virginia Salais
Hearing Officer Meeting: November 7, 2019 – Agenda Item: 2

Petition Description

Interim Rent Stabilization Ordinance(IRSO) Petition for Noncompliance

Tenant Petitioner (Petitioner) is disputing a rent increase issued for the covered rental unit located at 1305 E. 71st Street Los Angeles, California 90001.

The Petitioner reported receiving a Notice of Rent Increase dated August 30, 2019 increasing the rent to \$1,050.00 – effective October 1, 2019. The Petitioner's base rent on September 11, 2018 was \$1,000.00 – which constitutes a \$50.00 (or 5%) rent increase. The Petitioner also reports receiving a 30 Day Notice of Change in Terms of Tenancy, on August 30, 2019, removing the ability to park in front of the house or driveway at the property – effective October 1, 2019. The Petitioner reports paying \$30.00 per month to park at another location and that this constitutes reduction in services. The reduction in services, combined with the rent increase, constitutes a cumulative rent increase of \$80.00 (or 8%) monthly. The Petition for Noncompliance was filed with the Department of Consumer & Business Affairs (DCBA) on December 13, 2019.

Use Type

Multi-Family Residential; 0200

Year Built/Certificate of Occupancy (COO) 1962

Previous Petitions/History N/A

Staff Evaluation & Burden of Proof

DCBA has determined that the rental unit located at 1305 E. 71st Street Los Angeles, California 90001 is covered under the Los Angeles County Interim Rent Stabilization Ordinance (Ordinance No. 2018-0045) and is subject to its conditions.

The IRSO covers residential dwellings on properties with two or more units in the unincorporated areas of Los Angeles County with initial certificates of occupancy or equivalent issued on or before February 1, 1995. **Ordinance No. 2018-0045 Section 1(A) and Section 1(B).**

The IRSO limits rent increases to 3% once per 12-month period and applies to any rent increase taking effect on or after September 11, 2018. **Ordinance No. 2018-0045 Section 3(A).**

The IRSO regulates Housing Service Adjustments and indicates that a decrease in Housing Services can be considered an increase in Rent. Rent and Housing Services are defined in Section 2 of the IRSO. **Ordinance No. 2018-0045 Section 3(C).**

The rent increase in the amount of \$50.00 increased the Petitioner's rent from \$1,000.00 to \$1,050.00 (5%). According to the ordinance, the Petitioner's maximum allowable rent should be \$1,030.00. Additionally, the Petitioner's reports a reduction in services, constituting an additional \$30.00 rent increase, for a cumulative total of 8% in rent increases. If approved, and the Petitioner has paid the requested increase, the Respondent will need to credit the Petitioner for any overpayments above 3% that have occurred since the rent increase took effect. It should be noted that the Respondent has provided the Petitioner with an \$80.00 overpayment refund and agreed to set rent at \$1,030.00. This figure was calculated based on the Respondent paying \$1,050.00 through the months of October 2019 – January 2020. The Respondent disputes the provision of parking as an amenity and thus, did not credit or reduce the Petitioner's rent for any payments made toward offsite parking services. **Ordinance No. 2018-0045 Section 3(A)(1).**

Overpayment Calculation #1 (With Reduction in Housing Service):

Lump Sum (Credit Option
March 1, 2020	\$200.00

Six Month C	Credit Option
March 1, 2020	\$33.35
April 1, 2020	\$33.33
May 1, 2020	\$33.33
June 1, 2020	\$33.33
July 1, 2020	\$33.33
August 1, 2020	\$33.33

Overpayment Calculation #2 (Without Reduction in Housing Service):

Lump Sum (Credit Option
March 1, 2020	\$80.00

Six Month C	Credit Option
March 1, 2020	\$13.35
April 1, 2020	\$13.33
May 1, 2020	\$13.33
June 1, 2020	\$13.33
July 1, 2020	\$13.33
August 1, 2020	\$13.33

Proof of Service/Notice of Hearing

The Petitioner, Eliazar Valente, returned the Proof of Service to DCBA on December 16, 2019. DCBA sent the Notice of Hearing on January 24, 2020.

Public Comments

N/A

Fees/Deposits

N/A

Landlord Contact

On January 28, 2020 DCBA counseled Landlord Respondent (Respondent) on their rights and responsibilities under Ordinance No. 2018-0045. The Respondent agreed to return the overpayment back to the Petitioner related to the rent increase in the amount of \$50.00, but disputes that parking was a housing service at the property. The Respondent also reports not having a written rental agreement with the Petitioner and states that the Petitioner was only allowed to park onsite occasionally, with permission. The Respondent also states never charging or receiving payment for parking onsite.

Staff Recommendation

The following recommendation is made prior to the public hearing and is subject to change based upon testimony and/or documentary evidence presented at the public hearing:

<u>Recommendation #1:</u> Staff recommends APPROVAL of the Interim Rent Stabilization Ordinance Petition for Noncompliance – Case Number RSQ19-14821 under the following conditions:

- The Hearing Officer determines that parking was a service provided by the Respondent, resulting in a reduction in services for the Petitioner.
- The reduction in parking services constitutes a rent increase, as the Petitioner pays an additional \$30.00 (or 3%) per month for offsite parking.

Staff Report RSQ19-14821

- The total reduction in parking services, combined with the rent increase of \$50.00, constitutes an increase for the Petitioner above the allowable limit of 3%.
- The Respondent shall rescind the rent increase in accordance with the IRSO, and set rent at a maximum of \$1,000.00 monthly.
- The Respondent shall return all overpayments back to the Petitioner according to Overpayment Calculation #1.

<u>Recommendation #2:</u> Staff recommends DENIAL of the Interim Rent Stabilization Ordinance Petition for Noncompliance – Case Number RSQ19-14821 under the following conditions:

- The Hearing Officer determines that parking was not a service provided by the Respondent, and does not result in a reduction in services for the Petitioner.
- The Respondent may continue to charge the Petitioner \$1,030.00 monthly through October 2020, per the IRSO.
- The Respondent has returned all overpayments back to the Petitioner according to Overpayment Calculation #2.

SUGGESTED STATEMENT

Recommendation #1

I, THE HEARING OFFICER, CLOSE THE PUBLIC HEARING AND FIND THAT THE INTERIM RENT STABILIZATION ORDINANCE PETITION FOR NONCOMPLIANCE – CASE NUMBER RSQ19-14821 IS **APPROVED**, SUBJECT TO THE ATTACHED CONDITIONS.

Recommendation #2

I, THE HEARING OFFICER, CLOSE THE PUBLIC HEARING AND FIND THAT THE INTERIM RENT STABILIZATION ORDINANCE PETITION FOR NONCOMPLIANCE – CASE NUMBER RSQ19-14821 IS **DENIED**, SUBJECT TO THE ATTACHED CONDITIONS.

Suggested Statement

Prepared by Shannon Louis Reviewed by Dana Pratt

Attachments

Initials JMN:DP:sl (2/7/20)

BURDEN OF PROOF STATEMENT

	Ten de Servicios ques el
Current Rent:	Proposed Rent (If known): \$1000 — \$1050
HAVE YOU RECEIVED OR ISSUED A	NOTICE OF RENT INCREASE IN EXCESS OF THE ALLOWABLE LIMIT?
☑ Yes □ No	
IS THIS MATTER URGENT?	
☑ Yes □ No	
775 CO. 175 A. 175 C. 1	
REASON FOR LIRGENCY (must atta	ch relevant documents in order to be considered):
mi hoso dec	ch relevant documents in order to be considered): The continue of the considered of the continue of the
mi hoso dec	me entenda y en trempo me entenda y en trempo en trempo la propretura pre 2 hotos de desajojos de 60 di
ection IV: Respondent Info	rmation También la profestaria pre de desalo ses de do de desalo ses de